

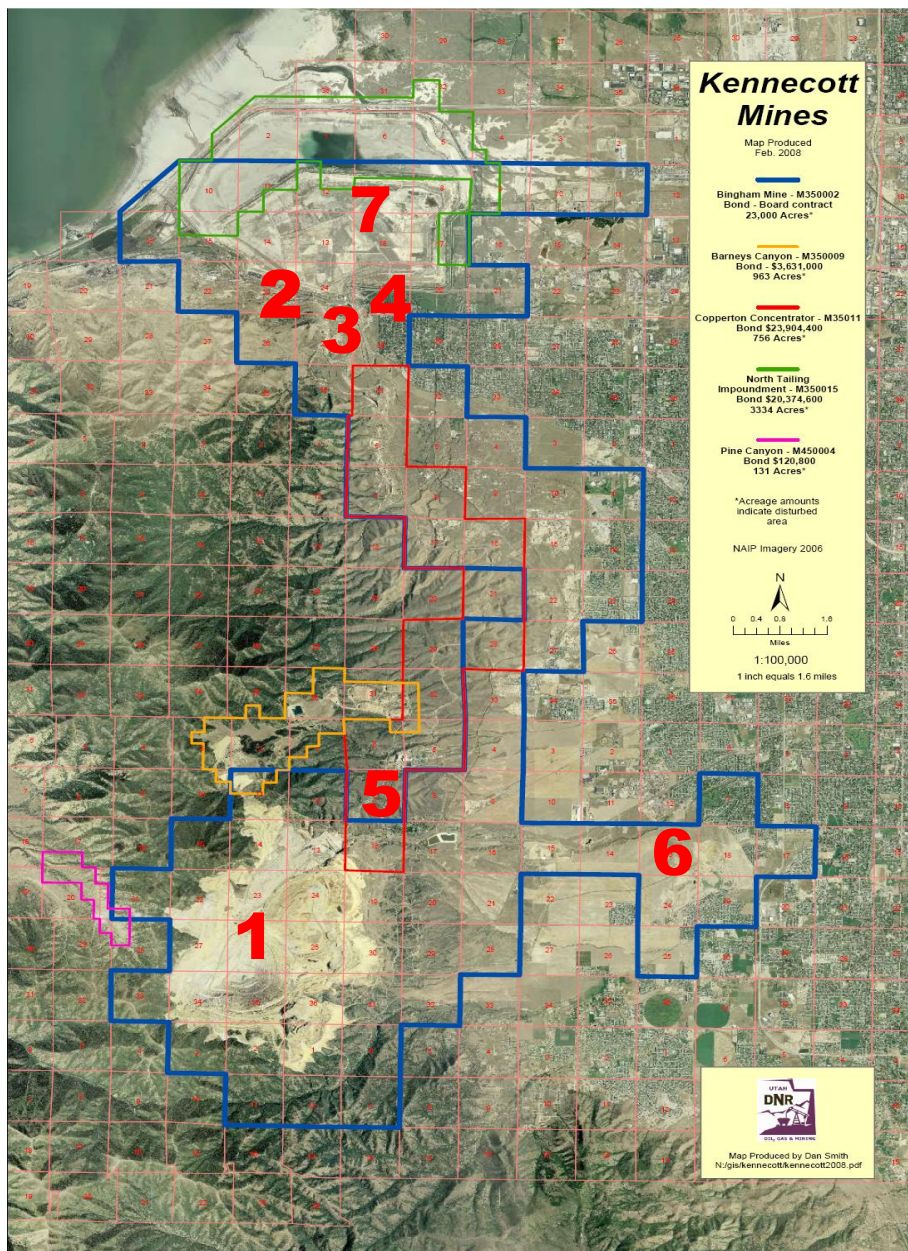
**M\035\0002**  
**Kennecott Utah Copper LLC**  
**Bingham Canyon Mine**

Annual Presentation  
to  
Board of Oil, Gas and Mining

February 22, 2012



<b>Facilities Overview</b>	- Boundary
	- Facilities
	- Bingham Mine
<b>2011 Reclamation &amp; Demolition Activities</b>	- Bingham Mine
	- South Tailing
	- Facilities
<b>Reporting &amp; Accounting</b>	- Expenditures
<b>2012 Anticipated Reclamation Activities</b>	- Bingham Mine
	- South Tailing
	- Sites
<b>Cornerstone &amp; Underground Update</b>	- Planning
<b>Economics</b>	- Utah
	- KUC

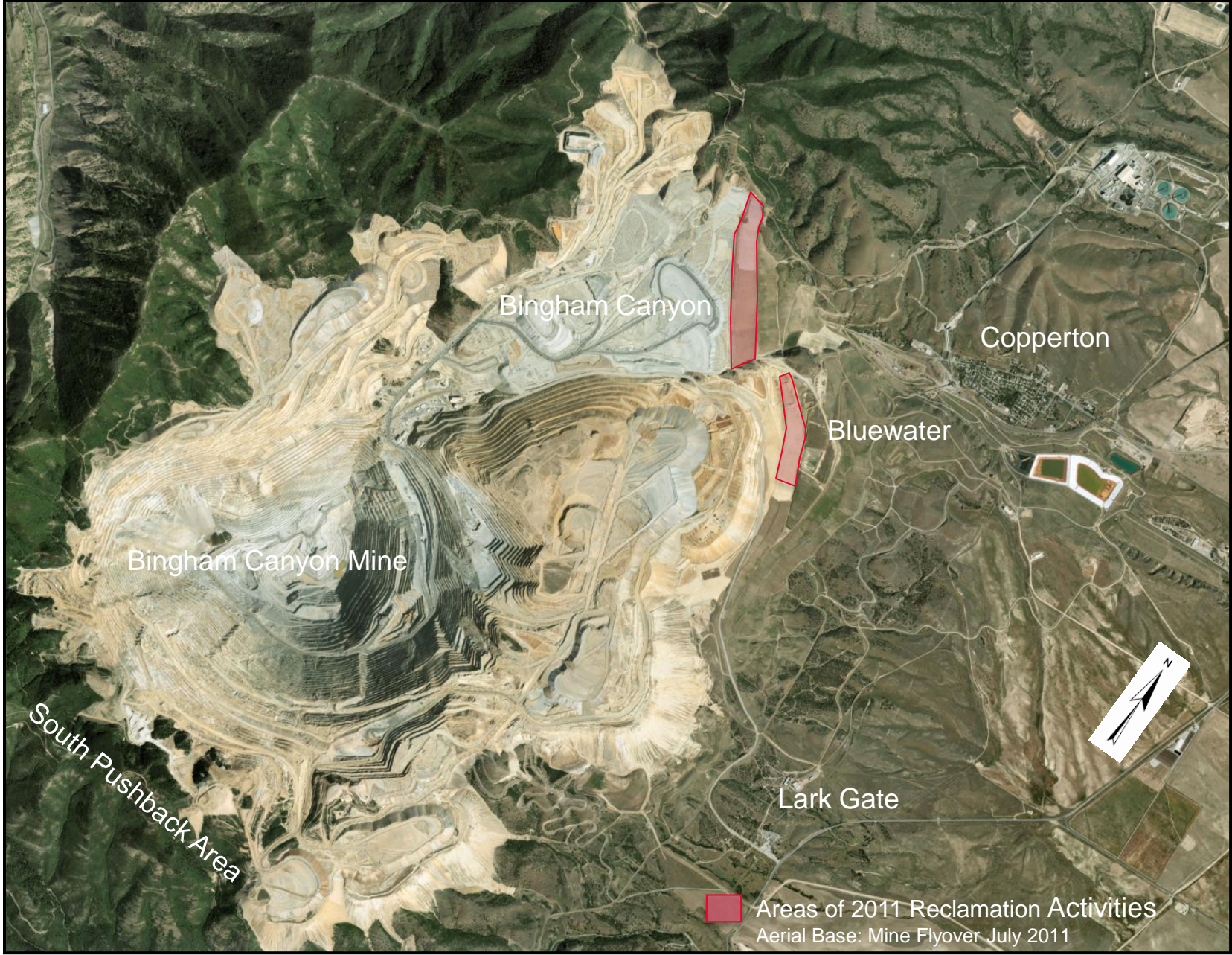


20 Miles Between Mine &amp; South Tailing Impoundment

## M/035/0002

1. Bingham Canyon Mine
2. Arthur Concentrator  
*Reclaimed*
3. Bonneville Crusher  
*Reclaimed*
4. Magna Concentrator  
*Reclaimed*
5. Precipitation Plant  
*Reclaimed*
6. SJ Evaporation Ponds  
*Reclaimed*
7. South Tailing Impoundment  
*Reclaimed*







## Summary of Significant Activities - 2011

**Bingham Canyon:** Reclaim 25 acres above 6190 elevation (re-grade, rip, seed);  
Plant 2800 seedlings over 35 adjacent acres

**Bluewater:** Re-contoured ~20 acres

**Soil Salvage:** ~376,000 yd<sup>3</sup> of soil between Bingham and South Pushback

**Reclamation Monitoring:** Vegetation analysis, fertilization test plots, root analysis

**Store & Release Cover:** Field trial test plots (year 2 complete);  
Moisture infiltration monitoring

**Demolition:** Railroad and South Tailings pump station



Bingham Canyon – August 2011

# Bingham Canyon Reclamation

April 2011

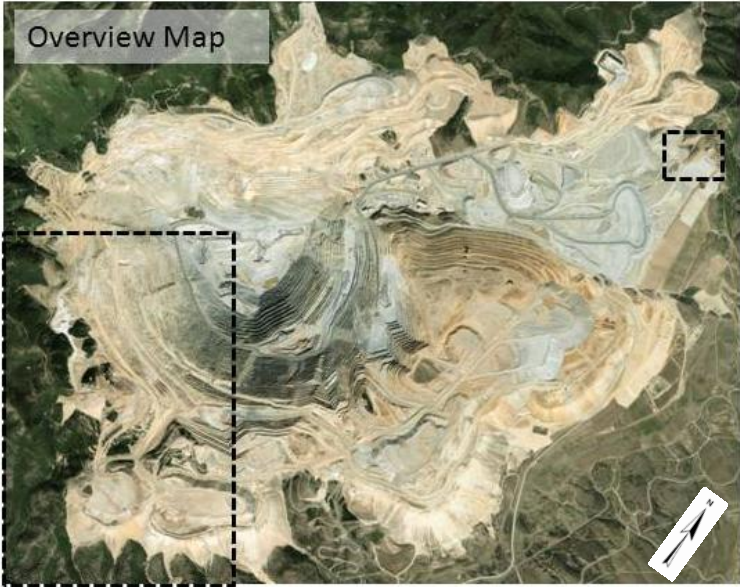


2006 to Present





# Bingham Canyon Mine - 2011 Soil Salvage Locations



- Soil Stockpiles Location
- Soil Salvage Location



# South Pushback Soil Salvage



- 1) Soil salvage began in April 2011 (~330,000 yd<sup>3</sup>)    2) Soil stripping continued through July  
3) Loading soil (foreground), stripping soil (background)    4) One of three soil stockpiles



# Bingham Canyon Soil Salvage & Placement



- 1) Soil stockpile and placement for cover, July 2011
- 2) Soil salvage north side of Bingham Canyon; Area yielded in excess of 40,000 yd<sup>3</sup>, September 2011



## Bluewater Reclamation Work



CAT D10 & D11 dozers flattening slope above Bluewater Repository just south of Bingham Canyon. Approximately 20 acres was completed on the east facing slope.

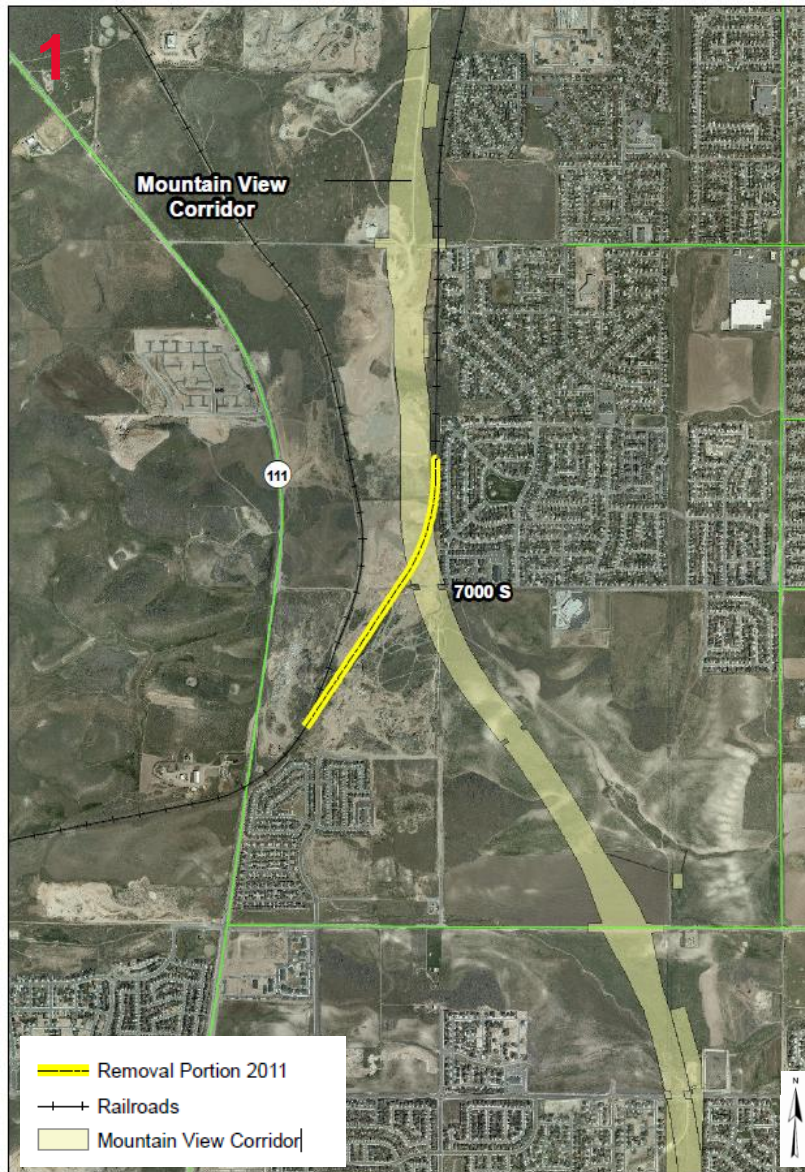


Rio Tinto





# Demolition of Ore Haul Rail and Tailings Pump Station



- 1) Approximately 2 miles of rail removed in 2011 near 7000 south & U-111
- 2) Former location of T1 pump station located along south Tailings impoundment. SR-201 in the background.



## Expenditures 2011

BAT and Experimentation <sup>1</sup>	\$1,713,143
Demolition	\$ 176,000
Total (\$US 2011)	<b>\$1,889,143</b>
Total <sup>2,3</sup> (\$US 1978)	<b>\$ 547,580</b>

<sup>1</sup>Mine BAT includes reclamation expenditures for equipment rental, maintenance and operation, seed/seedling, fertilizer/mulch/limestone application and purchase, and demolition contractors. Mine BAT does not include operating salaries or experimental costs associated with waste rock segregation or the ARD technologies.

<sup>2</sup>Expend a minimum average, of \$50,000 in \$US 1978 dollars per year for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.

<sup>3</sup>Consumer Price Index (CPI) Inflation Calculator (Bureau of Labor Statistics)

## KUC anticipates the following 2012 activities:

**Complete** Tree planting on 25 acres of the 2011 reclamation;  
Fertilize portions of Bingham reclamation

**Execute** soil salvage activities related to Code 22

**Complete** soil salvage in South Pushback area

**Continue** data collection from rehabilitated and experimental areas:  
Store and release cover system modeling and field trials  
Vegetation monitoring of reclamation areas  
Fertilization test plots

**Continue** reclamation of 11 mile section of ore haulage rail

**Initiate** additional BAT and/or experimental projects as warranted and as funding allows



# Cornerstone & Underground Update

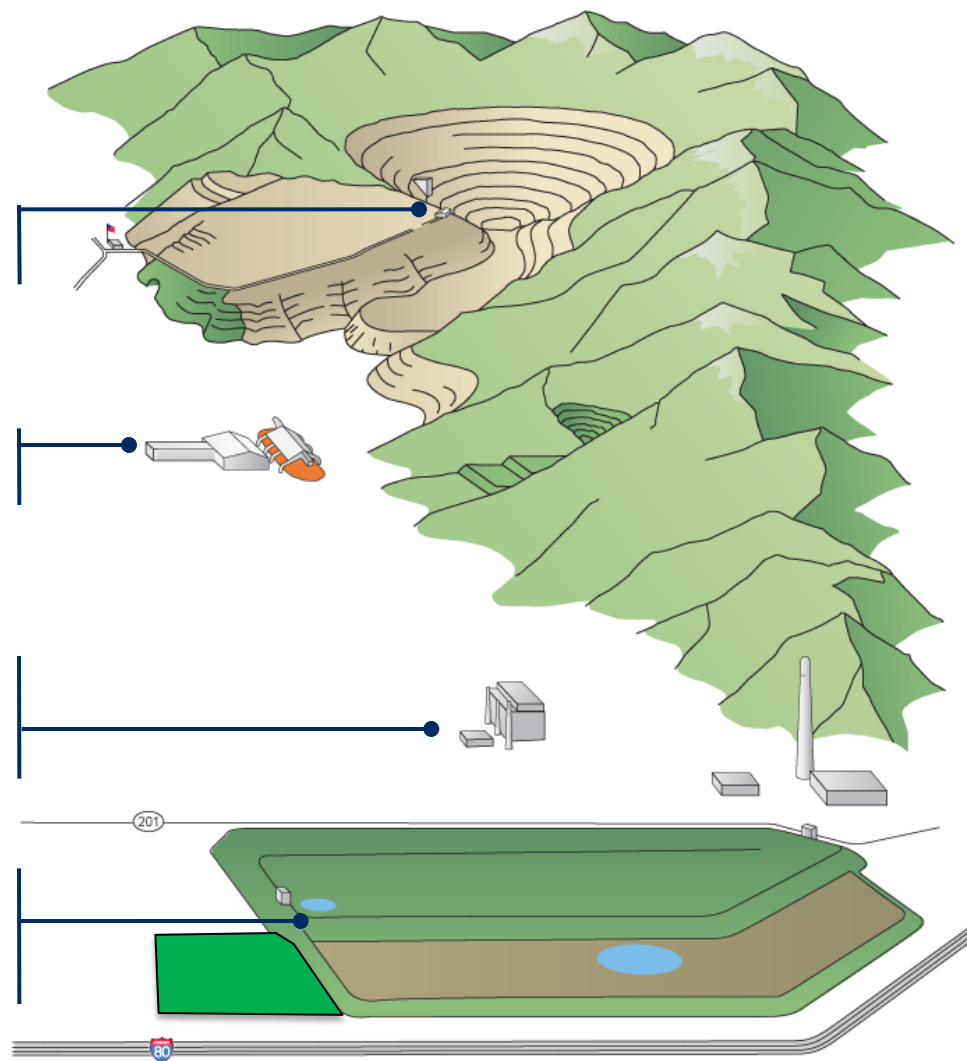
# Cornerstone, continuation of mining - overview

1 Move more rock

2 Crush more ore

3 Generate more energy

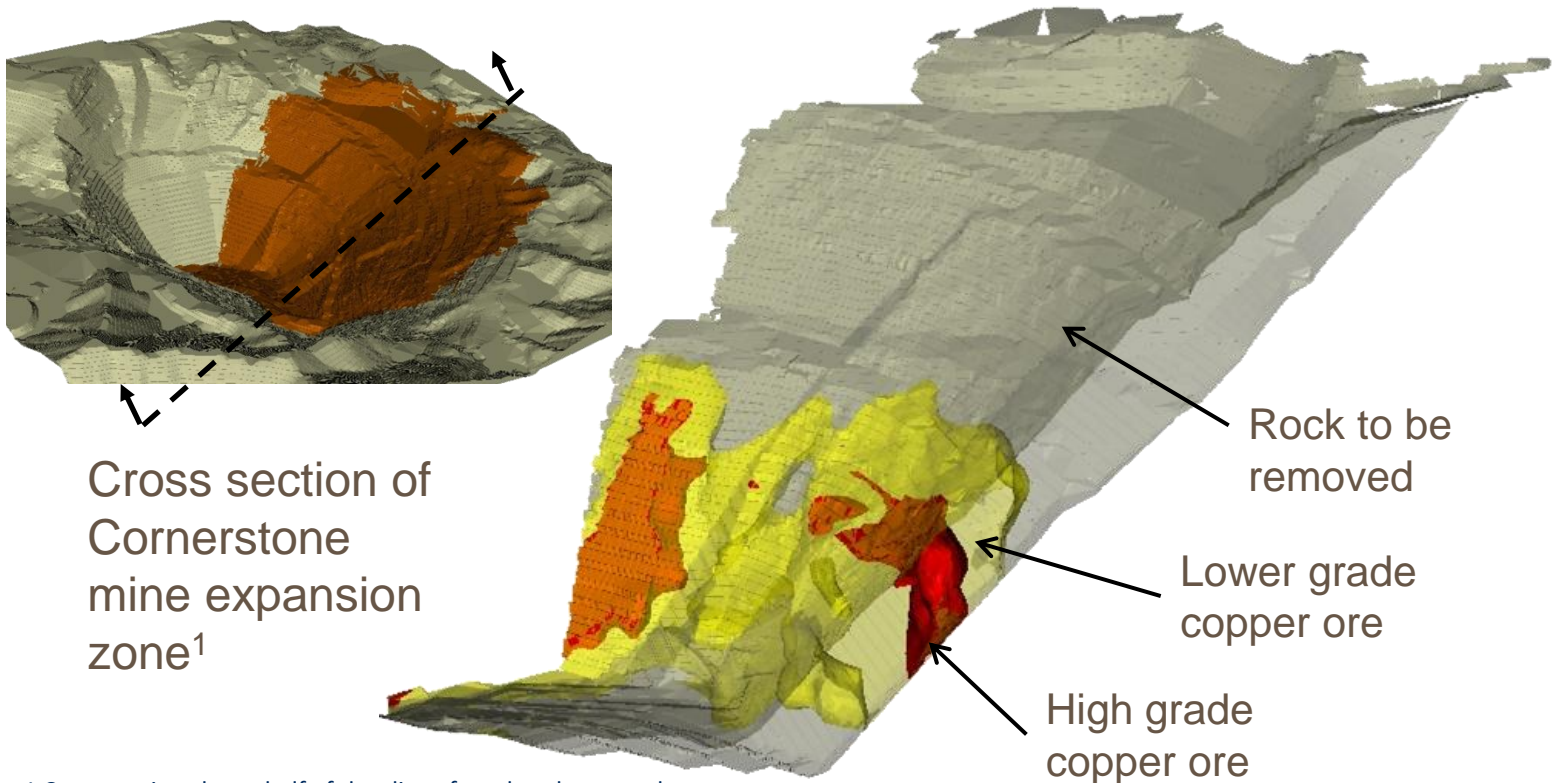
4 Store more tailings



SOURCE: Rio Tinto



# The South Pushback of the Bingham Canyon Pit extend the life of the mine

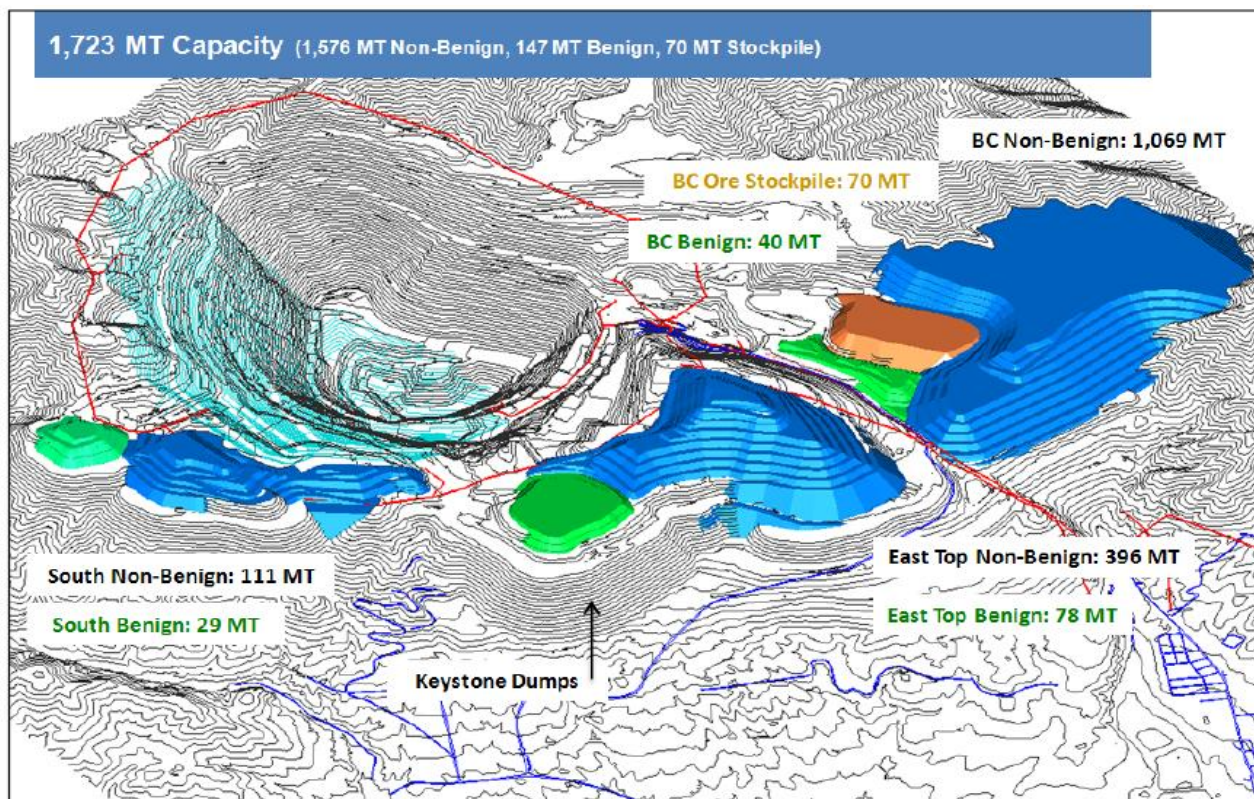


<sup>1</sup> Cross section shows half of the slice of earth to be moved

## Key facts

- Push back the south wall of the mine about 1,000 feet (+7%) and deepen it by about 300 feet (+8%)
- KUC started this process in 2011

# Cornerstone will expand the south wall of the existing pit to extend the life of the mine



## Key facts

- The South Pushback base case for waste rock disposal is placement on top of existing waste rock footprints
- KUC is investigating alternative waste rock disposal areas



# Cornerstone includes additional major expansion projects

## Tailings Expansion Project

M/035/0002 – M/035/0015

- USACE EIS continues
- Draft EIS anticipated 2012

## Copperton Mill Fifth Line

M/035/0011

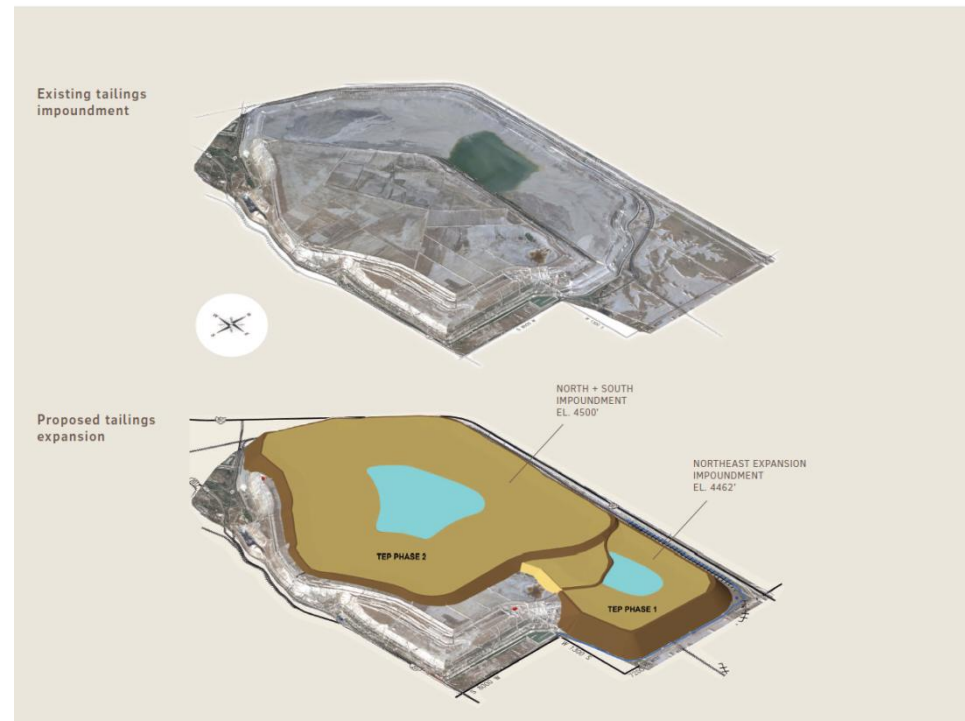
- Air permit issued
- Project engineering continues

## Utah Power Plant RePower

- Air permit issued
- Project engineering continues

## Overview of the proposed tailings impoundment expansion

Tailings



# Underground Activities

## North Rim Skarn & Portal Development

- Investigative work continues on the development of the North Rim Skarn underground project
- Mobilization and pre-commissioning activities completed on the North Ore Shoot

## North Wall Drainage Gallery

- Access commenced in 2011 via the north access portal

## South Wall Drainage Gallery

- Initial development commenced in 2011
- South Wall portal access completed





## KUC and Rio Tinto drive significant indirect employment



- 27,500 Utah residents or about 8,800 households
- Roughly equivalent to a population the size of
  - 50% of South Jordan
  - 15% of Salt Lake City

February 22, 2012

Questions?